SUPREME COURT, U.S.
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No. 10-603

IN THE
# Supreme Court of the United States

SUPER DUPER, INC.,
D/B/A SUPER DUPER PUBLICATIONS,
*Petitioner,*

v.

MATTEL, INC.,
*Respondent.*

**On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Fourth Circuit**

## BRIEF FOR RESPONDENT IN OPPOSITION

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## QUESTIONS PRESENTED

1. Whether review is warranted to resolve issues that petitioner did not raise below and neither the district court nor the court of appeals considered; that depend on purported factual findings the jury did not render; and where there exists a separate and independent basis for upholding the judgment.

2. Whether a trademark owner must prove willfulness and actual confusion to recover profits from the infringement under 15 U.S.C. § 1117(a).

## RULE 29.6 STATEMENT

Mattel, Inc. is a publicly held corporation. Mattel does not have any parent corporations, nor is ten percent or more of its stock owned by a publicly held corporation or other publicly held entity.

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## BRIEF IN OPPOSITION

Respondent Mattel, Inc. respectfully submits this brief in opposition to the petition for a writ of certiorari filed by petitioner Super Duper, Inc.

## OPINIONS BELOW

The opinion of the court of appeals is not published, but is available electronically at 2010 WL 2340250 and is reproduced at Pet. App. 1a-17a. The district court's order awarding profits is not published, but is available electronically at 2009 WL 866461 and is reproduced at Pet. App. 18a-28a.

## JURISDICTION

The Court has jurisdiction under 28 U.S.C. § 1254(1).

## STATEMENT

Super Duper claims that the Fourth Circuit's unpublished, per curiam decision presents hidden questions of trademark law as to which the circuits have split.

Review is unwarranted for many reasons. First, the purported "Questions Presented" are not actually presented. Super Duper never raised these arguments below and neither the district court nor the Fourth Circuit considered them. Moreover, the existence of the "Questions Presented" depends on Super Duper's claim that the jury rendered two factual findings *that the jury never made*. Contrary to Super Duper's suggestion, the jury never found that the infringement was unintentional, nor did the jury find an absence of actual confusion. Furthermore, the profits award may be upheld on the basis of *either* trademark infringement *or*

trademark dilution. Thus, the judgment would not be affected even if this Court were to resolve the infringement questions in Super Duper's favor. For all of these reasons, a grant of certiorari would be improvident because neither of the two "Questions Presented" is actually before the Court and because the Court's resolution of these questions would have no effect on the judgment below.

Second, there is no circuit split. As to the first "Question Presented" — whether a court may award profits absent proof of intentional infringement — Congress resolved the issue when it amended the Lanham Act in 1999. The cases Super Duper relies on to support the existence of a circuit split are *pre-amendment* decisions. There is obviously no need for this Court to address a question that Congress has already resolved. As to the second "Question Presented" — whether a court may award profits absent proof of actual confusion — there is simply no circuit split.

1. Super Duper is a South Carolina corporation that manufactures and sells toys and games. Fourth Circuit Joint Appendix (JA) 64. Super Duper is owned and managed by husband and wife Thomas and Sharon Webber. Mr. Webber serves as the company's chairman and CEO, as well as its trademark attorney. JA 776, 840-41, 1960. Super Duper places the marks at issue in this case on toys, games and other products that are used both to entertain children and to help them learn to speak. JA 635-36, 1224-25, 1250-51.

The Mattel marks at issue in this case are among the most famous and universally recognized marks on educational toys. Mattel first introduced the SEE 'N SAY brand in 1965, and its products bearing the

mark have sold an estimated 100 million units since that time. JA 1091-92. In fact, in some years, the number of SEE 'N SAY units sold exceeded the number of births in the United States. JA 1243. The SEE 'N SAY mark has been used most often on the classic educational toy that, when activated by a string or lever, triggers a recording (*e.g.*, the cow goes "moo") based on where the arrow is aimed. It has also been used on many types of games, puzzles, books and learning systems over the years. JA 1065-66, 1082, 1761-66, 1774-90.

Mattel's other marks at issue include THE FARMER SAYS, which is famous in its own right and accounts for approximately one-third of the estimated 100 million units of SEE 'N SAY products sold, JA 1090, 1093, 1242, as well as SEE 'N SAY JUNIOR and SEE 'N SAY BABY, which are smaller versions of the classic SEE 'N SAY. JA 1084-87, 1635-36, 1958-59. Like the products manufactured and sold by Super Duper, Mattel's SEE 'N SAY products are used both to entertain children and to help them learn to speak. JA 1087-88, 1837.

2. In 2004, Mattel filed an opposition in the U.S. Patent and Trademark Office seeking to cancel certain Super Duper marks. JA 336. After the parties' efforts to reach a settlement failed, Super Duper sued Mattel in Super Duper's hometown of Greenville, South Carolina, seeking a declaratory judgment that its marks did not infringe Mattel's marks. JA 64-79. Mattel filed compulsory counterclaims for trademark infringement and dilution under 15 U.S.C. § 1125(a) and § 1125(c), respectively, and sought Super Duper's profits from the infringement and dilution as permitted by 15 U.S.C. § 1117(a). JA 222-52.

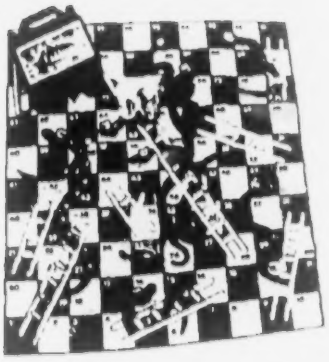
Super Duper's lawsuit spanned nearly three years and culminated in a seven-day jury trial. A central issue at trial was whether Super Duper was aware of Mattel's SEE 'N SAY marks prior to the parties' dispute, and thus whether Super Duper acted intentionally or whether the similarities in the parties' marks were merely by chance. Super Duper argued that it could not have intentionally copied Mattel's SEE 'N SAY marks because it had not even heard of SEE 'N SAY until Mattel notified Super Duper of its potential infringement in 2004. Indeed, Mr. Webber stated on nine different occasions leading up to trial — in testimony under oath, sworn interrogatory responses, and requests for admission — that he was not aware of the SEE 'N SAY marks until Mattel contacted him in 2004 regarding the potential infringement. JA 846-78, 1927-45, 1947-55, 1961. But at trial, when Mr. Webber testified on the stand that he was not aware of SEE 'N SAY until 2004, his numerous sworn statements were all shown to be false and he admitted that he had actually known of SEE 'N SAY years before.

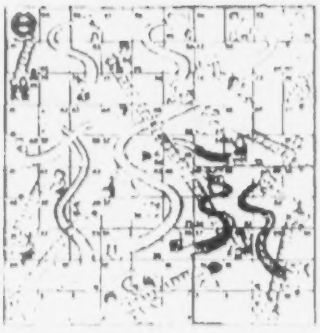
Mattel introduced a letter into evidence showing that in 2000, Mr. Webber hired outside counsel to conduct a trademark search regarding Super Duper's SEE IT! SAY IT! mark. Outside counsel wrote back to Mr. Webber, warning him of the existence and registration of Mattel's SEE 'N SAY mark. JA 847, 1542-43. The following year (in 2001), Super Duper engaged different outside counsel to conduct a search regarding Super Duper's FISH AND SAY mark. That outside counsel also wrote back to Mr. Webber to warn him of the existence and registration of Mattel's SEE 'N SAY mark. JA 849, 1583-85. Despite these repeated warnings from its outside counsel, Super Duper chose to forge ahead and to

manufacture and sell products containing its very similar marks.

When these letters were introduced at trial and Mr. Webber's testimony was exposed as false, the district court suggested to Mr. Webber that he might wish to change his testimony. Mr. Webber replied: "Absolutely not." JA 856. The district court again cautioned Mr. Webber and gave him a second opportunity to change his testimony. JA 874-75. Only then did Mr. Webber finally admit that all of his prior statements were "wrong" and "inaccurate," and that he had been aware of Mattel's SEE 'N SAY marks well before 2004. JA 873-75. Indeed, Mr. Webber confessed that he had used Mattel's SEE 'N SAY product when he was a child and even had one in his home for his own children. JA 846-47. The culmination of this remarkable chain of events occurred when Super Duper's lawyer began his closing argument by acknowledging his client's repeated false statements under oath, and by imploring the jury to blame Super Duper's lawyers for failing to ensure that their client testified truthfully. JA 1378-80.

Although Mr. Webber's credibility was in tatters, Super Duper attempted to convince the jury that it was a legitimate business that did not sell knock-offs of well-known toys and games. But the jury heard extensive testimony and saw numerous exhibits demonstrating that many of Super Duper's toys and games bear a striking resemblance to well-known toys and games of other companies. For example, Super Duper's SILLY SNAKES AND LADDERS is an obvious knockoff of the famous board game CHUTES AND LADDERS, simply changing the chutes into snakes:





***SILLY SNAKES AND LADDERS***

***CHUTES AND LADDERS***

JA 2529-30, 626-27, 882-86.

Similarly, Super Duper's MARTHA MOUSE is a copy of Disney's famous mark and character MINNIE MOUSE, right down to the identical red dress with white polka dots accompanied by a matching headband:

***MARTHA MOUSE*** ***MINNIE MOUSE***

JA 2527, 629-30, 879-81. When asked by Mattel's counsel at trial whether she saw any similarities between the two, Mrs. Webber replied, "Only so many ways to dress a mouse, Mr. Holleman, but I guess I could see a polka dot on there." JA 629.

Mattel introduced other evidence of Super Duper's pattern and practice of copying others' marks and products, including: MIGHTY MOUTH (a knock-off of MIGHTY MOUSE); MR. TWISTER (a knock-off of TWISTER); TOKEN TOWER (a knock-off of TOLKIEN TOWER); and DRESS-A-BEAR (a knock-off of BUILD-A-BEAR). JA 627-34, 886-87, 891-92.

Super Duper noted that many of the marks at issue in the lawsuit involved the word "say," and argued that a ruling in Mattel's favor would amount to granting Mattel a monopoly over a common word. JA 1383, 1400-01. But Mattel pointed out in response that establishing unlawful infringement requires far more than two marks having a single word in common. JA 1408. The test for trademark infringement is whether there is a likelihood of consumer confusion: a determination that requires a *seven-factor* analysis that looks to the strength or distinctiveness of the plaintiff's mark; the similarity of the two marks; the similarity of the goods the marks identify; the similarity of the facilities the parties use in their businesses; the similarity of the parties' advertising; the defendant's intent; and the existence of actual confusion. *See Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1527 (4th Cir. 1984); JA 1453-65 (jury instructions outlining seven factors).

Because a trademark infringement finding depends on numerous factors other than the words used in the mark, a ruling in Mattel's favor obviously

would not prevent other companies from using marks containing the word "say," just as (for example) a finding that the "PIZZA HUT" trademark was infringed would not mean that other companies cannot use the word "pizza" in their marks.

The jury agreed with Mattel. It determined that Super Duper's marks infringed *and* intentionally diluted Mattel's marks, and awarded $400,000 in profits to Mattel. Pet. App. 42a-46a.

3. In denying Super Duper's post-trial motions, the district court stated that it "wholly agrees with the jury's opinion" regarding the unlawfulness of Super Duper's marks. Pet. App. 22a. The court therefore upheld the jury's two independent findings of liability: trademark *infringement* and trademark *dilution*.

The district court also granted Mattel's motion to increase the profits award under 15 U.S.C. § 1117(a). That section provides: "If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case." In concluding that the profits award should be increased from $400,000 to $999,113, the district court considered six equitable factors, including whether Super Duper intended to confuse or deceive. Pet. App. 26a-27a. The court determined that a heightened award was warranted, emphasizing that the record was "replete with [Super Duper's] apparent proclivity in generously borrowing, without permission or payment, the ideas of others." Pet. App. 27a. The court based its profits award on *both* the infringement finding *and* the willful dilution finding — either of which permits an

award of profits under 15 U.S.C. § 1117(a). Pet. App. 25a; *see also* JA 2704 ("the evidence overwhelmingly validates the jury's verdict" on dilution as well as infringement).

The court also entered an injunction, which does not enjoin Super Duper from manufacturing or selling the products in question (which together account for only 7 percent or so of Super Duper's overall sales, JA 791, 1228). Rather, the injunction simply requires that Super Duper choose a different name for the products. Pet. App. 21a. The injunction further provides that, rather than destroy any products bearing the unlawful marks, Super Duper may simply rename and relabel them. *Id.* at 21a, 39a.

4. Super Duper appealed. Although it raised numerous challenges to the jury's verdict and the rulings of the district court, it never argued that the alleged absence of willfulness and actual confusion precluded an award of profits. *See* Super Duper Fourth Circuit Opening Br. at 53-57; Super Duper Fourth Circuit Reply Br. at 32-33. Nor could Super Duper have raised such arguments before the Fourth Circuit, as it never made them in the district court and they were obviously waived. In fact, the proposed jury instructions that Super Duper submitted to the district court authorized the jury to award profits even absent a finding of willfulness or actual confusion. JA 460.

The Fourth Circuit found "no error requiring reversal" and affirmed the district court's judgment in its entirety in an unpublished, per curiam opinion. Pet. App. 3a.

With respect to the profits award, the Fourth Circuit explained that to recover profits for

trademark dilution under the Trademark Dilution Revision Act of 2006 (TDRA), the plaintiff must show that "the mark . . . that is likely to cause dilution by blurring . . . was first used in commerce by the person against whom [relief] is sought after October 6, 2006," 15 U.S.C. § 1125(c)(5)(A), and in this case Super Duper's marks were in use prior to that date. Pet. App. 13a.

But the Fourth Circuit held that it would not set aside the district court's award of profits on this basis because "Super Duper failed to raise anything remotely resembling this argument in its Rule 50(a) motion for judgment as a matter of law," and "[u]nder the facts of this case, we decline to exercise our discretion to correct the error." Pet. App. 13a. Thus, the Fourth Circuit let stand the district court's determination that *either* the dilution finding *or* the infringement finding was a sufficient basis for the award of profits. *Id.*

5. Super Duper sought rehearing or rehearing en banc. In its rehearing petition, Super Duper did not raise either of the arguments it presents to this Court. *See* Super Duper Pet. for Reh'g or Reh'g En Banc. The Fourth Circuit denied rehearing. Pet. App. 29a. No judge requested a poll. *Id.*

## REASONS FOR DENYING THE PETITION

Super Duper identifies two questions for this Court's review. Neither was raised below; neither has ever been considered by any court at any stage of this litigation; neither is actually presented by this case; and the Court's resolution of those questions would have no effect on the underlying judgment in any event. Nor, for that matter, is there any circuit split warranting this Court's review.

It is important to note what Super Duper is *not* challenging. It is not challenging the finding that it infringed Mattel's trademarks; it is not challenging the finding that it willfully diluted Mattel's trademarks; and it is not challenging the propriety of the injunction or the award of attorneys' fees.[1]

## I. THE "QUESTIONS PRESENTED" ARE NOT ACTUALLY PRESENTED.

Neither of Super Duper's purported "Questions Presented" is properly before this Court. As shown below, there are *three* different reasons why a grant of certiorari would be improvident and why Super Duper's petition should be denied.

### A. Super Duper Did Not Raise These Issues Below.

Super Duper never raised either question below and neither the district court nor the Fourth Circuit passed on them. Tellingly, Super Duper does not identify where in the record it presented these arguments, and with good reason: they are being presented for the first time to this Court. For that reason alone, this Court should decline review. *See, e.g.*, *Pa. Dep't of Corr. v. Yeskey*, 524 U.S. 206, 212-13

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[1] For this reason, the arguments that Mattel anticipates will be raised by Super Duper's *amici* are irrelevant. Mattel has not seen the *amicus* brief as of the time this brief is being filed, but to the extent the *amici* suggest that the consequence of a judgment in Mattel's favor is to limit the use of the word "say," those arguments are not only erroneous, but they have absolutely no relevance to Super Duper's "Questions Presented," which concern the prerequisites for a profits award, not the standard for infringement or dilution liability.

(1998) ("'Where issues are neither raised before nor considered by the Court of Appeals, this Court will not ordinarily consider them.'") (quoting *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 147, n.2 (1970)).

In fact, in the district court, Super Duper took precisely the *opposite* of the position that it now asserts. Super Duper's proposed jury instructions did not require a finding of willful infringement or actual confusion before profits could be awarded. JA 460. Thus, the position that Super Duper took during trial was that profits *could* be awarded absent willful infringement or actual confusion.

In post-trial briefing on the profits award, Super Duper failed to raise either argument. *See* Brief in Opposition to Motion for Entry of Judgment, Permanent Injunction, Order of Cancellation, and Increased Profits at 11-15. In its brief to the Fourth Circuit, Super Duper failed to raise either argument, and in fact effectively conceded that the profits award *could* be based on the infringement finding. *See* Super Duper Fourth Circuit Opening Br. at 51-53.[2] And in its rehearing petition, Super Duper failed to raise either argument. *See* Super Duper Pet. for Reh'g or Reh'g En Banc at 9-10.

In short, these issues have never been presented to any court at any stage in this litigation. It is

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[2] Mattel's Fourth Circuit brief pointed out this concession, *see* Mattel Fourth Circuit Br. at 54, and Super Duper did not contest this point in its reply brief. In fact, while Super Duper's reply brief argued that profits could not be based on the *dilution* finding, it did *not* argue that profits could not be based on the *infringement* finding. *See* Super Duper Fourth Circuit Reply Br. at 32.

therefore hardly surprising that neither the district court nor the Fourth Circuit ever considered or addressed them. Super Duper's arguments have long since been waived and forfeited, and should not be considered in the first instance by this Court.

### B. The Existence Of The "Questions Presented" Depends On Purported Factual Findings That The Jury And The District Court Never Made.

Super Duper's claim that its two questions are actually presented in this case rest on the false premise that the jury or district court rendered factual findings that were never made. There is no basis to simply *assume* — on the basis of a voluminous and hotly-contested evidentiary record — that the jury or the district court *sub silentio* made factual findings that they were never asked to, and did not, make.

Super Duper's first "Question Presented" — whether a court may award profits absent proof of intentional infringement — rests on Super Duper's assertion that "[t]he jury found . . . that the infringement was not intentional." Pet. 7. The jury made no such finding. Question 3 on the verdict form asked the jury: "Do you find that Super Duper's infringement *and* unfair competition was intentional?" Pet. App. 43a (emphasis added). At the time it answered this question, the jury had already completed Question 2 on the verdict form and determined that Super Duper had *not* engaged in unfair competition, *id.*, so its answer to Question 3 had to be "no," *regardless* of whether it would have found the infringement was intentional. There is simply no basis for concluding from the verdict form

that the jury found that Super Duper's infringement was unintentional.

Indeed, Mattel introduced overwhelming evidence establishing that the infringement *was* intentional. That evidence included Mr. Webber's many false statements under oath, JA 846-78, as well as the substantial evidence that Super Duper is a serial copier, JA 626-34, 879-92, 1878, 1901, 1908, 1916, 1962-63, 2527, 2529-30, 2532; *see also* Pet. App. 27a (district court finding that "the record is replete" with evidence of Super Duper knock-offs). In sum, the record simply does not permit the conclusion that profits were awarded absent intentional infringement, and therefore the first "Question Presented" is not in fact presented in this case.

Super Duper's second "Question Presented" — whether a court may award profits absent proof of actual confusion — rests on the false premise that the jury found an absence of actual confusion. Here too, the jury *was not asked* to render a specific finding as to the presence or absence of actual confusion. Rather, the jury rendered a general verdict reflecting its balancing of the seven likelihood-of-confusion factors. *See* Pet. App. 42a.

Moreover, Mattel introduced evidence of actual confusion, JA 1135, Fourth Circuit Br. 35-36, and the district court instructed the jury on actual confusion — thus indicating that the court determined that there was sufficient evidence in the record for the jury to find actual confusion. JA 2013. Likewise, the Fourth Circuit recognized that there was sufficient evidence for a jury to have found actual confusion. Pet. App. 9a (presence of actual confusion in this case is "a factual matter best left to the jury's

determination"). In sum, the record simply does not permit the conclusion that profits were awarded absent actual confusion, and thus the second "Question Presented" is not in fact presented.

### C. The Profits Award Can Be Upheld Entirely Based On The Dilution Finding, So This Court's Resolution Of The "Questions Presented" Would Not Affect The Judgment Below.

Plenary review by this Court would be an empty exercise. Even if the Court resolved the "Questions Presented" in Super Duper's favor, the judgment below would not be affected in the slightest. That is because both of Super Duper's questions address when a district court may award profits based on trademark *infringement*. But in this case, the district court identified two separate and independent bases for the profits award — trademark infringement *and* trademark dilution — and the Fourth Circuit affirmed in full. Thus, even if this Court were to hold that profits were incorrectly awarded based on trademark infringement, the judgment would still stand in its entirety based on the finding of trademark dilution — a finding that Super Duper does not challenge.

Under the Lanham Act, 15 U.S.C. § 1117(a), profits may be awarded for infringement or intentional dilution. In this case, the jury awarded profits solely on the basis of dilution. Pet. App. 44a, 46a. In increasing the profits award, the district court held that the heightened award could be based on *either* infringement *or* dilution. Pet. App. 25a.

On appeal, Super Duper argued that, under the TDRA, profits could not be based on the dilution finding. The Fourth Circuit rejected this argument

and permitted the district court's determination to stand. While the court acknowledged that Super Duper's reading of the law was correct, the court held that Super Duper had waived the argument and that the court would not exercise its discretion to vacate the determination. *See* Pet. App. 13a ("Super Duper failed to raise anything remotely resembling this argument in its Rule 50(a) motion for judgment as a matter of law," and "[u]nder the facts of this case, we decline to exercise our discretion to correct the error.").[3]

The Fourth Circuit thus left intact the award of profits based on dilution. It explained that "'the decision to correct a forfeited error is within the sound discretion of the court of appeals, and the court should not exercise that discretion unless the error seriously affects the fairness, integrity or public reputation of judicial proceedings.'" Pet. App. 13a-14a (quoting *United States v. Olano*, 507 U.S. 725, 732 (1993)) (brackets omitted).

Super Duper does not challenge the Fourth Circuit's application of the plain error doctrine. Consequently, even if this Court were to hold that the courts below erred in permitting the profits

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[3] Super Duper may argue that the court's plain error determination rested on its determination that the infringement finding supported the profits award and thus there was no need to correct the error. This would be wrong for two reasons. One, the court's holding was based on Super Duper's waiver of any challenge to basing the profits award on dilution. Pet. App. 13a. Two, even if the court's holding *were* based solely on the infringement finding, Super Duper never argued to the Fourth Circuit that profits could not be upheld based on the infringement finding.

award based on the *infringement* finding, the Fourth Circuit's affirmance of the award based on the *dilution* finding — a determination that rests on the Fourth Circuit's unchallenged finding of waiver and its application of the plain error doctrine — would still remain. This Court is not in the business of issuing advisory opinions that have no bearing on the underlying judgment.

## II. THERE IS NO CIRCUIT SPLIT.

Even if this Court were somehow to view the "Questions Presented" as actually presented in this case, review would still be unwarranted because there is no circuit split.

### A. Congress Has Eliminated Any Confusion Over Whether Profits May Be Awarded Absent Intentional Infringement.

The question whether profits may be awarded absent intentional infringement has already been answered — by Congress, when it passed the Trademark Amendments Act of 1999. The amendments make clear that intentional infringement is *not* a prerequisite to a profits award. *See* Pub. L. No. 106-43, § 3(b), 113 Stat. 218, 219 (1999) (amending 15 U.S.C. § 1117(a)). The purported circuit split cited by Super Duper is based on *pre-amendment* cases. Now that Congress has answered the question, there is no need for this Court to weigh in and "resolve" a circuit split that no longer exists.

1. Prior to the amendments, 15 U.S.C. § 1117(a) provided that a plaintiff could recover profits if it established "a violation under section 1125(a)" (the provision governing trademark infringement). Some courts interpreted this language as permitting an

award of profits only in cases of intentional or willful infringement. *See, e.g., Securacomm Consulting Inc. v. Securacom, Inc.*, 166 F.3d 182, 190 (3d Cir. 1999). Other courts, however, noted that the statutory language did not impose a willfulness requirement, and accordingly held that profits could be awarded absent willful infringement. *See, e.g., Roulo v. Russ Berrie & Co.*, 886 F.2d 931, 941 (7th Cir. 1989) ("there is no express requirement . . . that the infringer willfully infringe . . . to justify an award of profits").

In 1999, Congress resolved the issue by amending the statute. The amendments modified 15 U.S.C. § 1117(a) to provide that a plaintiff can recover profits if it establishes "a violation under section 1125(a) of this title, or a *willful* violation under section 1125(c)" (the former provision prohibits trademark infringement; the latter prohibits trademark dilution). *See* 15 U.S.C. § 1117(a) (Aug. 1999) (emphasis added).[4] Thus, the effect of the amendment was to make clear that willfulness was *not* required for profits awards based

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[4] Congress has since amended § 1117(a), but without substantive change for purposes of the questions presented. The statute now reads in relevant part: "When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. . . ." 15 U.S.C. § 1117(a).

on infringement, but *is* required for profits awards based on dilution. *See Duncan v. Walker*, 533 U.S. 167, 173 (2001) (noting the "well settled" rule that "where Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion") (citations omitted).

2. To the extent there was disagreement in the circuits over this question, any confusion has evaporated since the clarifying 1999 amendments. Some courts have expressly changed their position in response to the amended statutory language. For example, prior to the amendments, the Third Circuit had held that willfulness was a prerequisite to a profits award. *See Securacomm Consulting*, 166 F.3d at 190. But in *Banjo Buddies, Inc. v. Renosky*, 399 F.3d 168 (3d Cir. 2005), the court changed its rule and explained:

> The 1999 amendment replaced "or a violation under section 43(a) [§ 1125(a)]" with "a violation under section 43(a) [15 U.S.C. § 1125(a)], or a *willful* violation under section 43(c) [15 U.S.C. § 1125(c)] . . . ." The plain language of the amendment indicates that Congress intended to condition monetary awards for § 43(c) violations, but not § 43(a) violations, on a showing of willfulness.

*Id.* at 174 (emphasis added by Third Circuit). Accordingly, the Third Circuit held that "*SecuraComm*'s bright-line willfulness requirement has been superseded by statute," and willfulness is no longer a prerequisite to obtaining profits in an infringement action. *Id.*

Likewise, district courts in the Second and Ninth Circuits have recognized that prior circuit decisions requiring willfulness have been superseded by the amendments. *See Nike, Inc. v. Top Brand Co.*, No. 00-civ-8179-KMW-RLE, 2005 WL 1654859, at *10 (S.D.N.Y. July 13, 2005) ("Without reason to believe that Congress intended to preserve the Second Circuit rule [requiring a showing of bad faith or intentional misconduct to recover profits for infringement] that preceded the 1999 amendment, the plain language of the statute should govern."); *R&R Partners, Inc. v. Tovar*, No. 03:040-cv-00145-LRH-PAL, 2007 WL 1202802, at *1 (D. Nev. Apr. 23, 2007) (concluding that, despite the Ninth Circuit's previous requirement of willful infringement, "[t]he plain language of [the 1999 Amendment] indicates that Congress intended to condition monetary awards for Section 43(c) violations on a finding of willfulness, but not Section 43(a) violations").

The Fourth Circuit has also recognized that the amendments clarified the law. In *Synergistic International, LLC v. Korman*, 470 F.3d 162, 175 & n.13 (4th Cir. 2006), the court held that "[i]n light of [the 1999 amendments], we agree that willfulness is not an essential prerequisite for a damages award, but that it remains a highly pertinent factor."

The Fifth Circuit has reached the same conclusion, drawing a clear distinction between the pre-amendment and post-amendment caselaw. In *Quick Technologies, Inc. v. Sage Group PLC*, 313 F.3d 338, 349 (5th Cir. 2002), the court began by canvassing the pre-amendment caselaw. But the court then stated: "It is important to note, however, that prior to the amendment of § 1117(a) on August 5, 1999, there were no references to the term 'willful' in § 1117(a), thus the decisions of our sister circuits

are of limited utility to the decision we are faced with today." *Id.* at 348. The Fifth Circuit went on to reject "a bright-line rule in which a showing of willful infringement is a prerequisite to an accounting of profits." *Id.* at 349.[5]

3. Super Duper is asking this Court to "resolve" a circuit split that no longer exists. This is evident by the telling fact that Super Duper identifies *no* circuit court decision since the 1999 amendment that requires a showing of willful infringement for a profits award.

Cases that imposed a willfulness requirement based on the old version of the statute are no longer good law and obviously do not support the existence of a current split in the circuits. Many courts have already modified their approach based on the new version of the statute, and those courts that have not yet had the opportunity to do so should be allowed to make the change for themselves and bring their caselaw into harmony with the other circuits. There is simply no need for this Court to answer the question that Congress has already answered, particularly when so many courts are already bringing their caselaw in line with the new version of the statute.

Super Duper cites *Tamko Roofing Products, Inc. v. Ideal Roofing Co.*, 282 F.3d 23 (1st Cir. 2002), to

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[5] Super Duper cites *McCarthy on Trademarks and Unfair Competition* § 30:62 (4th ed. Supp. 2010) for the proposition that willfulness is still required to obtain profits. Pet. 20. But Professor McCarthy openly admits that the caselaw is to the contrary, and no circuit courts have adopted his personal view. *See McCarthy, supra*, § 30:62.

support the existence of a split. But in *Tamko*, the First Circuit expressly *declined* to reach the issue of whether willfulness is required for an award of profits because the jury in that case *found* willfulness. *Id.* at 36. The fact that the First Circuit has not yet addressed the question was made clear in *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56, 63 (1st Cir. 2008), *cert. denied*, 129 S. Ct. 1622 (2009), where the court cited *Tamko* and stated: "We have previously declined to reach the question of whether 'willfulness' is required as a foundation for [a profits] award . . . and we need not decide the issue here."

Finally, Super Duper cites three law review articles as constituting general "scholarly agreement that this Court should review the question." Pet. 17. Two of those articles were published prior to 1999, the year in which Congress *answered* the question. And the third article explicitly *rejects* Super Duper's position by concluding that "neither actual confusion nor willfulness is part of § 1117(a)." *See* David S. Almeling, *The Infringement-Plus-Equity Model: A Better Way to Award Monetary Relief in Trademark Cases*, 14 J. Intell. Prop. L. 205, 221 n.82 (2007).[6]

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[6] Super Duper asserts that awarding profits absent proof of willfulness and actual confusion "would raise serious due process concerns." Pet. 23. This argument fails for several reasons. First, Super Duper never raised it below and no court has passed on it at any stage in this litigation. Second, Super Duper is wrong to suggest that absent these requirements, the award in this case would be unconstitutional, and no court has taken this approach.

### B. The Circuits Are Not Divided Over Whether Actual Confusion Is Necessary For An Award Of Profits.

Super Duper admits that the Third, Fourth, Fifth, Sixth, Seventh, Ninth, Tenth, and Eleventh Circuits do not require actual confusion before awarding profits. Pet. 11, 15. Super Duper further admits that "actual confusion is not always a requirement for an award of profits in the Second Circuit," and does not claim that the "certain circumstances" where such a showing is required are present in this case (and they are not). *Id.* at 14. And Super Duper concedes that the D.C. Circuit "has not specifically held that actual confusion is required." *Id.* at 16.

The only circuit that Super Duper claims requires actual confusion is the Federal Circuit. Pet. 16 (citing *Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556 (Fed. Cir. 1994)). But in that case, the Federal Circuit was applying substantive law of the *Eighth* Circuit. *Id.* at 1563. Moreover, the Eighth Circuit case cited by the Federal Circuit states that actual confusion is necessary for an award of *actual damages*, not an award of *profits*. *See Woodsmith Publ'g Co. v. Meredith Corp.*, 904 F.2d 1244, 1247, n.5 (8th Cir. 1990). The two are treated differently by the caselaw, as well as by the Lanham Act itself. *See, e.g., Thompson v. Haynes*, 305 F.3d 1369, 1380 (Fed. Cir. 2002) (explaining that "by the terms of [§ 1117(a)], 'damages' are to be treated separately from 'profits'").

There is no circuit that requires a finding of actual confusion before awarding profits. Indeed, such a requirement would be directly contrary to the

plain language of 15 U.S.C. § 1117(a), which obviously does not impose such a requirement.

## CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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